



# **KWASANI MUNICIPALITY**

## **SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN**

**2009/2010**

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## **ABBREVIATIONS**

- IDP – Integrated Development Plan
- MFMA – Municipal Finance Management Act of 2003
- MSA – Municipal Systems Act of 2000
- SD&BIP – Service Delivery and Budget Implementation Plan

## STATEMENT OF APPROVAL BY THE MAYOR

The preparation and approval of the Service Delivery and Budget Implementation Plan (SD&BIP) has been introduced as a tool to ensure implementation of the Integrated Development Plan and the approved Budget. The preparation of the KwaSani Municipality's SD&BIP is a major milestone in our quest to transform our municipality and to accelerate the process of service delivery and holding our administration accountable for performance on agreed targets and indicators. This being our first SD&BIP, we must see this document as evolving and offering us an important start to doing our business differently. It is our responsibility to see to it that this document reflects our expectations and is consistent with the mandate of our communities by engaging with its content, especially during monthly, quarterly and mid-year and annual performance reporting cycles.

Accordingly, in terms of section 53 of the Municipal Finance Act of 2003, and in terms of the Council Resolution of .... .., I approve the 2009/2010 Service Delivery and Budget Implementation Plan for Kwa Sani Municipality.

Approved on.....

Signature:-.....

By:-.....

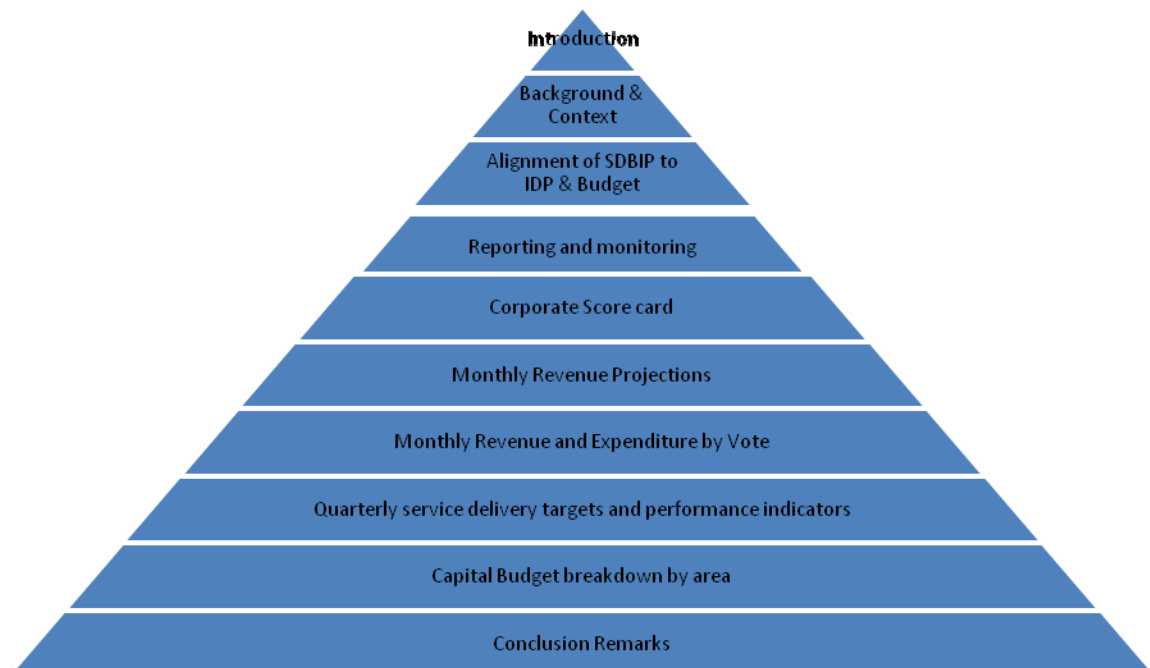
Capacity:-.....

## 1. INTRODUCTION

Kwa Sani Municipality reviewed its Integrated Development Plan (IDP) and subsequently, the 2009/2010 Budget which is aligned to the IDP was adopted and approved. As a sequel to the above processes, a Service Delivery and Budget Implementation Plan (SD&BIP) has been prepared for the first time. The SD&BIP has the following components:

- Corporate Scorecard for 2009/2010
- Monthly projections of revenue to be collected for each
- Source
- Monthly projections of expenditure (operating and
- Capital) for each vote
- Quarterly projections of service delivery targets and Performance indicators
- Detailed capital works plan broken down by area

For logical presentation, this Report is structured according to different sections as represented in Figure 1.



**Figure 1: Structure of the SD&BIP**

In section 2, a legal context of the need to prepare the SD&BIP is provided. The extent of integration and alignment between IDP, Budget and SD&BIP is explained in section 3. Section 4 addresses issues of reporting and monitoring of progress against set targets. The corporate scorecard is presented in section 5. Section 6 deals with the monthly projection of revenue by source. The monthly projection of expenditure both capital and operational expenditure by vote is dealt with in section 7. The quarterly service delivery targets and performance indicators for the Municipal Managers and Senior Managers are covered in section 8. In section 9, the breakdown of the capital budget plan by area is presented. The last section is about concluding remarks.

## **2. BACKGROUND AND CONTEXT TO SD&BIP PREPARATION**

Kwa Sani Municipality is required by the Municipal Finance Management Act (MFMA) of 2003 to prepare a Service Delivery and Budget Implementation Plan (SD&BIP) to ensure that its annual budgets are strategically aligned to and integrated with the IDP. In terms of Section 53 (1) (c) (ii) of the MFMA, the SD&BIP is defined as a detailed plan approved by the Mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following:

- (a) Projections for each month of -
  - (i) Revenue to be collected, by source; and
  - (ii) Operational and capital expenditure, by vote
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Any other matters prescribed

According to Section 53 of the MFMA, the Mayor is entrusted with specific roles in relation to SD&BIP. These roles related to:

- Provision of general political guidance over the budget process and the priorities that guide the budget process (Section 53(1));
- Ensuring that Council approves the annual budget before the start of the financial year;

- Overseeing the Accounting Officer and CFO;
- Ensuring adherence to the time schedule for budget;
- Ensuring that the SD&BIP is approved (by the Mayor) within 28 days after the approval of the budget;
- Ensuring that annual performance agreements for the Municipal Manager and senior managers are linked with measurable performance objectives in the IDP and the SD&BIP; and
- Making the SD&BIP public no later than 14 days after its approval.

Similarly, the in terms of sections 68 and 69 of the MFMA (see extract of MFMA below), the Municipal Manager, as an accounting officer, bears certain responsibilities pertaining to the SD&BIP, which are summarised as follows:

- Assist the Mayor to perform budgetary functions and provide the Mayor with administration support, information and resources;
- Implement the budget;
- Spending in accordance with budget and ensure that it is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the SD&BIP;
- Ensure that revenue and expenditure is properly monitored;
- Prepare adjustments budget when necessary; and
- Submit draft SD&BIP and drafts annual performance agreements for the Municipal Manager and all senior managers.

### **Budget implementation**

**69.** (1) The accounting officer of a municipality is responsible for implementing the municipality's approved budget, including taking all reasonable steps to ensure—

(a) that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan; and

(b) that revenue and expenditure are properly monitored.

(2) When necessary, the accounting officer must prepare an adjustments budget and submit it to the mayor for consideration and tabling in the municipal council.

(3) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor—

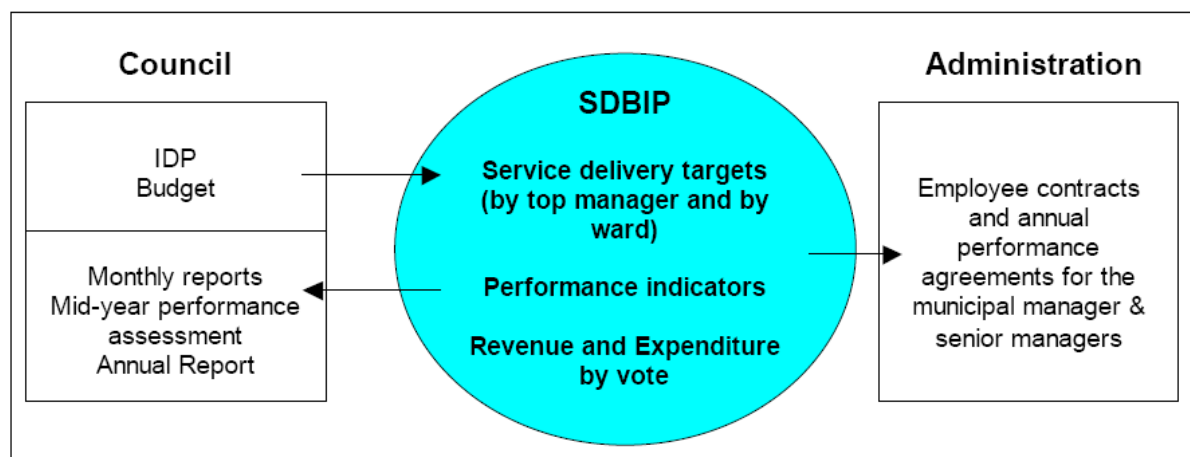
(a) a draft service delivery and budget implementation plan for the budget year; and

(b) drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers.

According to MFMA Circular No. 13, issued by National Treasury, the SD&BIP “serves as a ‘contract’ between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months.” It also “provides the basis for measuring performance in service delivery against end of-year targets and implementing the budget.” MFMA Circular No. 13 further states that the requirement for SD&BIP applies from the 2007/2008 financial year in respect of low capacity municipalities like KwaSani Municipality.

### **3. ALIGNMENT AND INTEGRATION OF IDP, BUDGET AND SD&BIP**

**Figure 2: SD&BIP “CONTRACT”**



Source: MFMA Circular 13, page 1



As depicted in the diagram above, SD&BIP serves as an important “contract” between the Council of the Municipality and the Administration of the Municipality. Council has the responsibility to adopt and approve the IDP aligned to the Budget. The SD&BIP therefore provides how the IDP and the budget are to be implemented by senior managers and this creates the basis for a contractual relationship with and annual performance agreements for the Municipal Manager and Senior Managers. In turn, the Council can monitor progress in respect of IDP Implementation. This is done via Monthly Reports; Mid-Year Performance Assessment and Annual Report (see section 4 below). The entire process is open to scrutiny by the public. Furthermore, Provincial Treasury and the Department of Local Government and Traditional Affairs are able to monitor this process via monthly returns submitted by the municipality.

#### **4. REPORTING REQUIREMENTS ON SD&BIP**

SD&BIP forms a vital link in streamlining the oversight and monitoring of the operations of the municipal administration. The MFMA prescribes a set of reporting requirements, which allows Councillors to monitor progress in relation to the implementation of the IDP and its programmes on service delivery. In particular, four reporting requirements critical to municipal governance are:

- Monthly reporting;
- Quarterly reporting;
- Mid-term performance assessment; and
- Annual reporting.

These requirements are explained below.

##### **4.1 Monthly Reporting**

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 working days, after the end of each month.

Reporting must include the following:

- Actual revenue, per source;
- Actual borrowings;

- Actual expenditure, per vote;
- Actual capital expenditure, per vote; and
- The amount of any allocations received.

If necessary, explanation of the following must be included in the monthly reports:

- Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- Any material variances from the service delivery and budget implementation plan and;
- Any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain within the municipalities approved budget.

#### **4.2 Quarterly Reporting**

Section 52 (d) of the MFMA compels the Mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SD&BIP form the basis for the mayor's quarterly report.

#### **4.3 Mid-year Performance Assessment Reporting**

Section 72 (1) (a) of the MFMA outlines the requirements for mid year reporting. The accounting officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account –

- (i) the monthly statements referred to in section 71 of the first half of the year
- (ii) the municipalities service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SD&BIP. Because the SD&BIP is also a living document, it may be modified based on the mid-year performance review.

#### **4.4 Annual Reporting**

Section 121 of MFMA states that every municipality and every municipal entity must for each financial year prepare an annual report and the council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control. The purpose of an annual report is to:

- Provide a record of the activities of the municipality or municipal entity
- during the financial year to which the report relates;
- Provide a report on performance against the budget of the municipality or
- municipal entity for that financial year; and
- Promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

The annual report of a municipality must include the annual financial statements of the municipality as submitted to the Auditor-General for audit purposes.

It is therefore clear from the above requirements that SD&BIP occupies a very important place in ensuring that municipalities are accountable to their stakeholders and the communities they serve. Thus, the performance of the administration against approved performance targets and indicators is an integral part of litmus tests for gauging the whole performance and viability of the municipality in its entirety.

## 5. CORPORATE PERFORMANCE SCORECARD 2009/2010

The corporate performance scorecard (see **Appendix A** for details) is based on the Integrated Development Plan and is informed by provincial and national IDP Guidelines. It specifies the targets to be met and the time frames within which to meet them. The main champion is the Municipal Manager and certain targets are implemented via staff reporting directly to the Municipal Manager. The municipality is in a unique situation in that none of the staff reporting to the Municipal Manager are on five year contract in terms of section 57 of the Municipal Systems Act.

## 6. MONTHLY REVENUE PROJECTION BY SOURCE

The bulk of revenue projections for KSM indicates that of the overall total revenue projections of R23 001 721 for 2009/2010 financial year, grant funding which amounts to R10 461 812, constitutes 45, 4% of total revenue projections for the year (see Figure 3 and Table 1 below). This is followed by property rates at 32% (see also **Appendix B** for details).

Figure 3: Revenue Projection by Source for 2009/2010

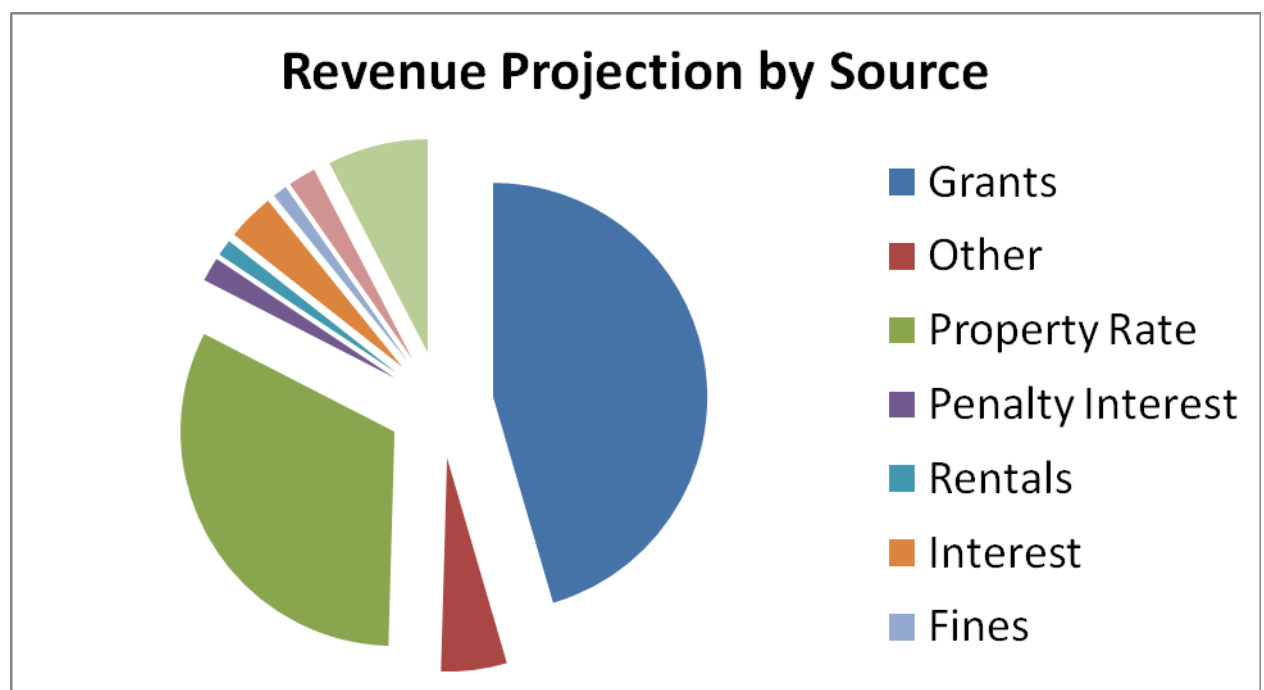
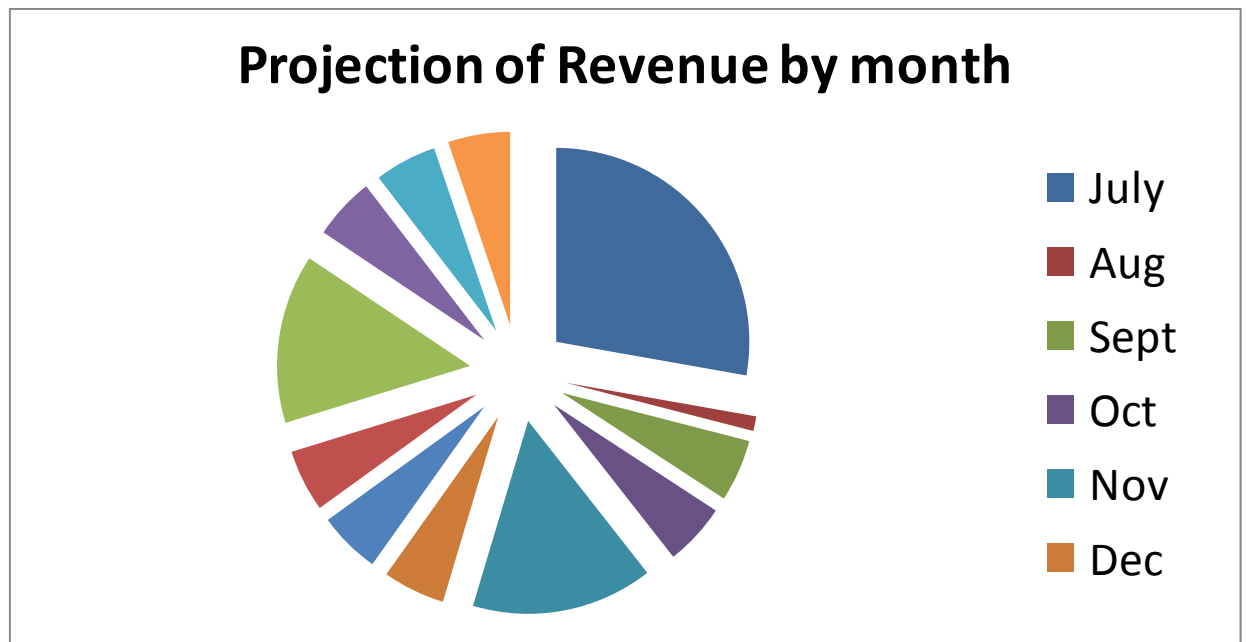


TABLE 1: TOTAL REVENUE PROJECTION FOR 2009/2010

SOURCE	TOTAL	PERCENTAGE
Grants	10 461 812	45,4%
Property Rates	7 379 732	32,0%
Tariff Charges	1 754 558	7,6%
Other	1 144 396	4,9
Interest	824 037	3,5%
Re-allocation	483 104	2,1%
Penalty Interest	420 734	1,8%
Rentals	282 718	1,2%
Fines	250 630	1,0%
TOTAL	23 001 721	100%

The revenue projections by month also indicate that the pattern of expected revenue is pretty even per month. However, there are exceptions in respect of the months of July, November and March (see **Figure 4 and Table 2** below). This is because during these exceptional months, the municipality expect to receive its allocated grants.

**Figure 4: Projection of Revenue by Month**



**Table 2: Projection of revenue by month**

MONTH	REVENUE	PERCENTAGE
July	6 390 802	27, 7
August	283 802	1, 2%
September	1 197 231	5,2%
October	1 197 231	5,2%
November	3 494 231	15,1%
December	1 197 231	5,2%
January	1 197 231	5,2%
February	1 197 231	5,2%
March	3 255 043	14,1
April	1 197 231	5,2%
May	1 197 231	5,2%
June	1 197 231	5,2%
TOTAL	23 001 721	100%

## **7. MONTHLY EXPENDITURE BY VOTE**

A detailed account of monthly expenditure is provided in Appendix B. Generally, there is an even spread of expenditure per month.

## **8. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS BY VOTE**

The quarterly projections of service delivery targets by vote are presented in **Appendix D**. The aim of these targets is to reflect the performance expectations for all departments of the municipality. Employees reporting directly to the Municipal Manager are the champions for implementing these targets. Furthermore, these targets form the basis for concluding Performance Agreements, which are monitored every quarter.

## **9. CAPITAL BUDGET BREAKDOWN BY AREA**

The municipality's capital budget breakdown per area is contained in **Appendix E**. The most concerning aspect of this budget is that the municipality's ability to address the service delivery backlogs is very much in doubt due to limited resources. That is the reason why in terms of corporate score card, the municipality has committed itself to develop a strategic framework that addresses how the municipality can develop strategies to redress inequities in service delivery in the different area to meet the Millennium Development Goals.

## **10. CAPITAL WORKS PLAN FOR THREE YEARS**

**Appendix F** provides picture of the capital investment projected for the Medium-Term Expenditure Framework.

## **11. CONCLUDING REMARKS**

Given that this is the first SD&BIP prepared by the Kwa Sani Municipality, few concluding remarks are in order. The first remark is that it is critical that in future draft SD&BIP and annual performance contracts be prepared simultaneously with the IDP Review and Budget approval processes. This will ensure that all these planning and service delivery processes talk to one

another; are aligned and integrated; and can be done within the required legislative time-frames to ensure not only legal compliance, but also seamless planning and implementation processes within the municipality. The second remark is that like the IDP, SD&BIP is a living service delivery instrument. It is thus capable of modification and adjustment after taking into account mid-term performance assessments and other internal and external conditions. For this reason, Kwa Sani Municipality must also constantly look for opportunities to improve its SD&BIP to accord with its realities on one hand, and to set stretch targets where necessary, on the other.



**APPENDIX A:**  
**CORPORATE PERFORMANCE SCORECARD 2009/2010**

STAKEHOLDER PERSPECTIVE						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress
Good Governance and Democratic participation	To ensure democratic participation in development processes by all stakeholders	Stakeholder engagement	Quarterly	Office of the mayor/MM	5	
		Review of Communication	Communication strategy reviewed by December '09	MM	5	
		Newsletter	Bi-annual newsletter produced in December and June	MM	5	
		KSM Youth Council Established	Feb '10	Office of the Mayor/MM	4	
		Schools visits to promote culture of learning and teaching	Jan – Feb '10	Office of the Mayor/MM	2	
		Batho Pele	Training on Batho Pele & Citizens Charter by March '10	MM	4	

"INTERNAL PERSPECTIVE "Services & Infrastructure"						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress/Remark
Service delivery	Ensure sanitation and electricity backlogs in the rural areas have been eradicated. Commence implementation of the infrastructure maintenance plan and radical improvement in social infrastructure.	MIG projects delivered	Nhlanhleni Community Hall & creche ; Ridge, and Ntwasahlobo ; Netherby by completed by June '10	Planning	5	
			Stormwater design for Underberg by June '10	Planning/ DOT	5	
			Informal Trading Infrastructure by May '10	Planning	5	
		Housing projects land acquisition	Negotiation to acquire land for Extension Underberg LIH for 300 houses to have commence by June '10	Planning	5	
			Negotiation to acquire land for Himeville LIH for 150 houses to have commence by 30 June '10	Planning	5	
		Waste management project delivered	Landfill site identified by 'June '10	Planning	5	
			Installation of compactor at transfer station by end of Aug '09	Planning	5	
			Recycle Business Plan to access funding submitted to DAERA by Dec '10	Planning	4	
		Eradication of service backlogs	Engagement of National MIG Dept to reinstate pilot project by March '10	Planning	5	
			Strategy for Eradicating backlogs by 2014 developed by 30 Jan '10	Planning	5	
		Sportsfields developed	Kwa Pitela June '10,	Planning/ DSRAC	5	

INTERNAL PERSPECTIVE “Services & Infrastructure through Sector Involvement”						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress
Service delivery	Ensure sanitation and electricity backlogs in the rural areas have been eradicated. Commence implementation of the infrastructure maintenance plan and radical improvement in social infrastructure.	Sisonke District water supply projects delivered	Underberg Water Supply Upgrade by June '10	Development and Planning/ Sisonke	5	
			Mqatshe/Stepmore Water by June '10	D& P/ Sisonke	5	
			Nhlanhleni/KwaPitela Water Supply Upgrade by June '10	D/P Sisonke	5	
		Rural household sanitation delivered	Completed by July 2009	Sisonke	5	
		Other projects Delivered	Ridge Road River crossing done by	Sisonke	5	
			Fencing of water infrastructure by	Sisonke	5	
		Bulk Supply to Housing projects	Extension Underberg LIH for 300 houses June 2010	Sisonke	5	
			Himeville LIH for 150 houses June 2010	Sisonke	5	
			Stepmore/Maguswana for 1200 houses by June 2010	Sisonke	5	
		Social projects	Underberg Clinic Upgrade by June 2010	Health Department	5	
			Site establishment of Mqatshe/Stepmore New Clinic June '10	D&P/Health Department	5	
		Roads projects	Regravel of D200; 305, 1357 & P429 by March 2010	Transport Department	5	

INTERNAL PERSPECTIVE “Sports, Arts and Culture”						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress
Service delivery	Ensure promote sport, arts and cultures	Sports and Cultures programme delivered	Formation of sport Associations by Dec '09	Office of the Mayor/MM	4	
			Sport Codes Development plan by Dec '09 and Establishment of the Sports Council by June '10	Office of the Mayor/MM	4	
			Launch Youth Games June '10	Office of the Mayor/MM	4	
			SALGA Games Preparations July/Aug '09	Office of the Mayor/MM	4	
			Local Selections For the SALGA Games Sept/Oct '09	Office of the Mayor/MM	4	
			District Selection For SALGA Games Oct/Nov '09	Office of the Mayor/MM	4	
			SALGA GAMES Dec '09	Office of the Mayor/MM	4	
			Mayoral Cup Feb '10	Office of the Mayor/MM	4	
			Schools Soccer League by (ongoing)	Office of the Mayor/MM	4	
		Arts and Culture programme delivered	Traditional music, Isicathamiya, Arts Initiative and training, and promotion of Ubuntu concept by Sept/Oct '09	Office of the Mayor/MM	4	

INTERNAL PERSPECTIVE "Economic Development"						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress
Economic development	Local economic development resulting in Substantially improved standard of living for the whole community	KSM Township development	Business Plan finalised & funding sources June '10	MM/LED Manager	5	
		Informal Traders Integration	Business Plan finalised March '10  Engage DED/MIG to access funding March '10	MM/LED Manager  MM/LED Manager	5	
		Stepmore Trader Centre	Commencement of construction June '10	MM/LED Manager	5	
		Kuhle Gift & Décor	Business Plan to be submitted end of Sept '09	MM/LED Manager	5	
		KwaPitela/Enhlanhleni Development Opportunity Nodes/Trader Centre	Feasibility studies and Business Plans to be completed by March '10	MM/LED	5	
		Mqatsheni Tourism Nodes	Business Plan finalised in July '09  Project to commence Oct '09	MM/LED Manager  MM/LED Officer	5	

FINANCIAL PERSPECTIVE						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress
Financial Viability	Sound financial management; long term viability and being in the position to achieve the community's needs.	Ability to pay current & new creditors	Quarterly Report	MM/Chief Financial Officer	5	
		Revenue collection maximised	90% payment levels achieved to be reviewed monthly/Quarterly	MM/Chief Financial Officer	5	
		Revenue generation enhanced	Revenue Enhancement Strategy developed by Nov '09	MM/Chief Financial Officer	5	
		Efficient billing implemented	Valid billing complaints reduced to 5% by June '10	MM/Chief Financial Officer	5	
		Financial Reporting done	Monthly, Quarterly and Annually submitted	MM/Chief Financial Officer	5	
		Unqualified audit achieved through improved Internal controls	Quarterly reports submitted	MM/Chief Financial officer	5	

LEARNING ORGANISATION PERSPECTIVE						
KPA	Development objective	KPI	Performance target	Champion	Weighting	Progress
Institutional transformation and development	To create adequate capacity to enable the municipality to achieve its goals and correct the imbalances of the past (people, bylaws and systems)	WSP implemented	Quarterly	MM/HR	5	
		HR Strategy developed	March '10	MM/HR		
		Internal communication enhanced	Strategy Determined by Oct '09	MM/HR	5	
		Batho Pele training	Annually	MM/HR	5	
		Performance Management System	30 Sept '09	MM/HR	5	
		Internship to commence	July '09	MM/HR	4	
		Delegation Policy	30 Sept '09	MM/HR	5	
		EE Plan	Electronic submission Jan '10	MM/HR	5	

## APPENDIX B:

### MONTHLY PROJECTION OF REVENUE BY SOURCE – 2009/2010

	Grants	Other	Property Rates	Penalty Interest	Rentals
July	6 107 000	95 366	0	35 061	23 560
August	0	95 366	0	35 061	23 560
September	0	95 366	737 973	35 061	23 560
October	0	95 366	737 973	35 061	23 560
November	2 297 000	95 366	737 973	35 061	23 560
December	0	95 366	737 973	35 061	23 560
January	0	95 366	737 973	35 061	23 560
February	0	95 366	737 973	35 061	23 560
March	2 057 812	95 366	737 973	35 061	23 560
April	0	95 366	737 973	35 061	23 560
May	0	95 366	737 973	35 061	23 560
June	0	95 366	737 973	35 061	23 560
	<b>10 461 812</b>	<b>1 144 396</b>	<b>7 379 732</b>	<b>420 734</b>	<b>282 718</b>

	Interest	Fines	Re-allocations	Tariff Charges	Total
July	68 670	20 886	40 259	0	6 390 802
August	68 670	20 886	40 259	0	283 802
September	68 670	20 886	40 259	175 456	1 197 231
October	68 670	20 886	40 259	175 456	1 197 231
November	68 670	20 886	40 259	175 456	3 494 231
December	68 670	20 886	40 259	175 456	1 197 231
January	68 670	20 886	40 259	175 456	1 197 231
February	68 670	20 886	40 259	175 456	1 197 231
March	68 670	20 886	40 259	175 456	3 255 043
April	68 670	20 886	40 259	175 456	1 197 231
May	68 670	20 886	40 259	175 456	1 197 231
June	68 670	20 886	40 259	175 456	1 197 231
	<b>824 037</b>	<b>250 630</b>	<b>483 104</b>	<b>1 754 558</b>	<b>23 001 721</b>



## APPENDIX C

### Kwa Sani Municipality: Monthly Projection of Operational and Capital Expenditure by Vote - 2009/2010

	Admin & Finance		Council & Exec		Public Safety	
	Opex	Capex	Opex	Capex	Opex	Capex
July	699 969	5 238	327 050	1 315 041	169 863	0
August	699 969	5 238	327 050	1 315 441	169 863	0
September	699 969	5 238	327 050	1 315 041	169 863	0
October	699 969	5 238	327 050	1 315 041	169 863	0
November	699 969	5 238	327 050	1 365 041	169 863	79 000
December	699 969	5 238	327 050	1 315 041	169 863	0
January	699 969	5 238	327 050	1 315 041	169 863	0
February	699 969	5 238	327 050	1 315 041	169 863	0
March	699 969	5 238	327 050	1 315 041	169 863	0
April	699 969	5 238	327 050	1 315 041	169 863	0
May	699 969	5 238	327 050	1 315 041	169 863	0
June	699 969	5 238	327 050	1 315 041	169 863	0
	<b>8 399 630</b>	<b>62 850</b>	<b>3 924 597</b>	<b>15 830 890</b>	<b>2 038 358</b>	<b>79 000</b>

	Road Transport		Comm. Services		Electricity	
	Opex	Capex	Opex	Capex	Opex	Capex
July	86 953	0	30 728	0	7 582	0
August	86 953	0	30 728	1 800	7 582	0
September	86 953	0	30 728	1 400 000	7 582	0
October	86 953	0	30 728	0	7 582	0
November	86 953	0	30 728	1 400 000	7 582	0
December	86 953	0	30 728	0	7 582	0
January	86 953	0	30 728	1 400 000	7 582	0
February	86 953	0	30 728	0	7 582	0
March	86 953	0	30 728	1 400 000	7 582	0
April	86 953	0	30 728	0	7 582	0
May	86 953	0	30 728	0	7 582	0
June	86 953	0	30 728	0	7 582	0
	<b>1 043 438</b>	<b>0</b>	<b>368 734</b>	<b>5 601 800</b>	<b>90 987</b>	<b>0</b>

	Waste Management		Other		Tourism	
	Opex	Capex	Opex	Capex	Opex	Capex
<b>July</b>	150 987	0	304 298	1 383	45 561	0
<b>August</b>	150 987	0	304 298	1 383	45 561	0
<b>September</b>	150 987	0	304 298	1 383	45 561	0
<b>October</b>	150 987	0	304 298	1 383	45 561	0
<b>November</b>	150 987	0	304 298	1 383	45 561	0
<b>December</b>	150 987	0	304 298	1 383	45 561	0
<b>January</b>	150 987	0	304 298	1 383	45 561	0
<b>February</b>	150 987	0	304 298	1 383	45 561	0
<b>March</b>	150 987	0	304 298	1 383	45 561	0
<b>April</b>	150 987	0	304 298	1 383	45 561	0
<b>May</b>	150 987	0	304 298	1 383	45 561	0
<b>June</b>	150 987	0	304 298	1 387	45 561	0
	<b>1 811 847</b>	<b>0</b>	<b>3 651 573</b>	<b>16 600</b>	<b>546 732</b>	<b>0</b>

	Planning & Devel.	
	Opex	Capex
<b>July</b>	93 819	0
<b>August</b>	93 819	0
<b>September</b>	93 819	0
<b>October</b>	93 819	0
<b>November</b>	93 819	0
<b>December</b>	93 819	5 000
<b>January</b>	93 819	0
<b>February</b>	93 819	0
<b>March</b>	93 819	0
<b>April</b>	93 819	0
<b>May</b>	93 819	0
<b>June</b>	93 819	0
	<b>1 125 823</b>	<b>5 000</b>

## APPENDIX D

### Quarterly Service Delivery Performance Targets by Votes

Vote/Indicator	Unit of Measure	Annual Target	Revised Target	Quarter Ending Sept 2009	Quarter Ending Dec 2009	Quarter Ending Marc 2010	Quarter Ending June 2010	Progress Report
<b>Council &amp; Executive</b>								
<b>YOUTH DEVELOPMENT</b>	Development of Youth Development Strategy	Strategy Finalised			Framework on what should be covered is finalised	Draft Strategy developed for consultation	KSM Youth Development Strategy Developed	
	Establishment of the KSM Youth Council	Council established		Stakeholder identification	All necessary structures formed	KSM Youth Council Established		
<b>GENDER</b>	Host and Provide support to Provincial Young Women's Summit	Young Women summit supported			Young Women's Summit Resolutions		Local AIDS Strategy Council Developed	
<b>HIV AND AIDS</b>	Co-ordination of the Local AIDS Council				Two KSM Local AIDS Council Meeting Took Place	Four KSM Local AIDS Council Meeting Took Place	Strategy to address needs finalised	
<b>PHYSICAL CHALLENGED PEOPLE</b>	Needs analysis	Needs determined				Needs identified		
<b>SPORTS</b>	Kwa Naloga Local and District Selection			Kwa Naloga Local Selections completed	Kwa Naloga Provincial Selections			
	Kwa Sani Mayoral Cup				Preparations for the Mayoral Cup finalised	Mayoral Cup Games	Sports Council Established	
	Establishment of the Sports Council	Sports Council established			All necessary sports Structures formed			
<b>ARTS AND CULTURAL</b>	Provide Support to				INkosi Dumisa Memorial Day			

<b>ISSUES</b>	INKosi Dumisa Memorial Day Celebration				Celebrated			
	Theatre Development Workshop			Theatre Development workshop done				
	Preparations for Music and Dance Auditions			Local Auditions Done	Music and Dance District completions			
<b>EDUCATION Contribution High School's Program</b>	Career Guidance Exhibition Programme for Grade 11 and 12			Preparations for career exhibition finalised	Career Guidance exhibition implemented			

<b>Vote/Indicator</b>	<b>Unit of Measure</b>	<b>Annual Target</b>	<b>Revised Target</b>	<b>Quarter Ending Sept 2009</b>	<b>Quarter Ending Dec 2009</b>	<b>Quarter Ending Marc 2010</b>	<b>Quarter Ending June 2010</b>	<b>Progress Report</b>
<b>Finance &amp; Admin: HUMAN RESOURCES MANAGEMENT</b>								
<b>Skills Development Plan</b>	Skill training programme developed	Programme in implemented Quarterly		Planning for Skills Training Programme commences	Put training committee in place& Labour Forum		Submission of work place skills plan to SETA	
<b>HR Strategy</b>	HR Strategy developed	March '10		Planning commences	Framework on what to include is finalised	HR strategy is completed	Implementation commences	
<b>Communication</b>	Internal communication enhanced	Quarterly Staff meetings arranged		Meetings commence	Staff Meeting held	Staff meeting held	Staff meeting held	
<b>Customer Care</b>	Batho Pele training	Annually			Planning of the training	Training done		
<b>Performance</b>	Performance Management	30 Sept '09		PMS adopted	PMS implemented	PMS implemented	PMS implemented	

<b>Management Policy</b>	System							
<b>Employee Wellness</b>	Workplace HIV/AIDS Plan			Awareness planned	Awareness implemented as part of World AIDS Day	Awareness continued	Awareness continued	
<b>EE Plan</b>	EE Plan	Electronic doc submission Jan '10		Staff consultation & submission of the plan to Dept. of labour	Put EE forum in place	Implement plan	Plan implemented	
<b>Recruitment process</b>	Appoint librarian appointed						Librarian appointed	
	Appointment of a traffic warden				Traffic Warden appointed			
	Appointment of Building control officer					Building control officer appointed		
<b>Learnership Plan</b>	Learnership introduced	June '10			Identify needy areas	Recruit		
<b>Leave management</b>	Leave applications be in terms of LRA					Align payroll to HR system to ensure proper management of leave		
<b>Institutional Transformation &amp; Restructuring</b>	Organisational design reviewed	June '10			Review initiated			

<b>Vote/Indicator</b>	<b>Unit of Measure</b>	<b>Annual Target</b>	<b>Revised Target</b>	<b>Quarter Ending Sept 2009</b>	<b>Quarter Ending Dec 2009</b>	<b>Quarter Ending Marc 2010</b>	<b>Quarter Ending June 2010</b>	<b>Progress Report</b>
<b>Finance &amp; Admin: Human Resources Management</b>								
<b>Public Safety</b>								
Capacitate the Traffic Department	Appointment of warden			Warden appointed	Develop training programme	Training commenced		
Fire Services – review current services and service provider	Review concluded and implemented	End June 2010		Summarise study done on fire services	Investigate other options, e.g. learnerships etc	Compile report and submit to council for decision		
Disaster Management	Review of current modus operandi concluded and any changes implemented	End June 2010		Summarised study done on disaster management	Investigate other options and possible sources of funding	Compile report and submit to council for decision		

Vote/Indicator	Unit of Measure	Annual Target	Revised Target	Quarter Ending Sept 2009	Quarter Ending Dec 2009	Quarter Ending Mar 2010	Quarter Ending June 2010	Progress Report
<b>Community Services</b>								
Upgrade Library in partnership with Library Services	New carpeting, chairs, desks and extension of building	By June 2010		Reach agreement with library services on upgrade	Plan upgrade	Execute upgrade	Upgrade complete	
Appointment of Librarian	Librarian appointed January 2010				Position advertised		Appointment made	
Community Halls – Enhlanhleni Ridge Netherby Ntwasahlobo	Completion of halls by 30 June 2010	June 2010		Appointment of Engineering Consultant completed	Appointment of Contractors	Site establishment completed – excavations/fencing and foundations	Construction of halls completed	
Community Hall Kwa Pitela	Completion 2 <sup>nd</sup> quarter	By Dec 2009		Building 100% complete and drainage 35%	Project completed			
Mhlangeni Creche	Completion 2 <sup>nd</sup> quarter	By Dec 2009		Building 100% complete and drainage 85%	Project completed			
Thunzi Community Hall	Completion 2 <sup>nd</sup> quarter	By Dec 2009		Building 80% and drainage 0%	Project completed			

Vote/Indicator	Unit of Measure	Annual Target	Revised Target	Quarter Ending Sept 2009	Quarter Ending Dec 2009	Quarter Ending Marc 2010	Quarter Ending June 2010	Progress Report
<b>WASTE MANAGEMENT</b>								
Implementation of Recycling Project	Project commenced	June 2010		Planning stage	Service Provider appointed	Project commenced	Review success of project and implement any improvements required	
Identification of Land Site	Land identified	June 2010		Options of other sites explored and submitted to Council	Continue consultation with relevant stake holders	Programme compiled with Department of Land Affairs	Identification of possible site	

Vote/Indicator	Unit of Measure	Annual Target	Revised Target	Quarter Ending Sept 2009	Quarter Ending Dec 2009	Quarter Ending Marc 2010	Quarter Ending June 2010	Progress Report
<b>TOURISM</b>								
Phase 2 of new rural tourism nodes completed	Feasibilities and business plans completed	By Mar 2010		Advertised for service providers	50% completion	Business Plans submitted to relevant depts	Follow up with relevant depts on success of application	
Staff training in marketing and other tourism related matters	Training commenced			Ascertain who relevant training body is	Application for training	Training commences	Training continues	
Feasibility study on Reichenau Mission	Study commenced	By June 2010		Planning stage for concept	Contacted relevant stake holders	Compile business plan	Study commences	
KSM Tourism Corridor Plan	Business Plans Submitted	June 2010		Review existing	Submit Business	Explore other avenues of funding	Follow up with relevant depts on success of application or submit	



				Corridor Plan	plan to Provincial Dept	in the interim	to other possible funders	
Kuhle Gifts & Décor	Project more self sustainable	By June 2010		Business Plan submitted for further funding	Encourage larger participation from rural communities	Further training in crafting and basic business skills	Products being sold more widely and crafters skills improved	

Vote/Indicator	Unit of Measure	Annual Target	Revised Target	Quarter Ending Sept 2009	Quarter Ending Dec 2009	Quarter Ending Marc 2010	Quarter Ending June 2010	Progress Report
<b>OTHER</b>								
Service Delivery – Works Department	Productivity increased by 50%	By June 2010		Review Work Study and recommendations	Training commenced for key staff	Management system for vehicles developed	Upgrade storeroom and system in place for control of tools and equipment	

<b>Vote/Indicator</b>	<b>Unit of Measure</b>	<b>Annual Target</b>	<b>Revised Target</b>	<b>Quarter Ending Sept 2009</b>	<b>Quarter Ending Dec 2009</b>	<b>Quarter Ending Marc 2010</b>	<b>Quarter Ending June 2010</b>	<b>Progress Report</b>
<b>PLANNING &amp; DEVELOPMENT</b>								
Annual review of the IDP	IDP reviewed	May 2010		Process Plan adopted	First public meetings held	First draft adopted	Final draft of reviewed IDP adopted by council	
Implementation of DPSS	Regular follow up with province until planner appointed			Follow up	Follow up	Follow up	Shared Services Planner appointed	
Appointment of Building Control Inspector	Appointment made	Dec 2009			Appointment made			
KSM Township Development (LED project)	Project Commencement	June 2010		Update business plan	Submission to Provincial Treasury	Await results from Treasury but also source other possible funders	Project commences if funding sourced	
LED – Traders Infrastructure	Submission of final business plan	June 2010		Stakeholder mobilisation	Study finalised	Draft business plan		
Stepmore Trader Centre	Trade Centre commissioned	June 2010		Engage stakeholders	Call for tender	Appointment of service provider		
Rural Nodes Opportunities	Feasibilities in 9 rural nodes	June 2010		Appointment of service provider	Feasibility study commences	Business Plans completed		
SMME Programme	Train 20 SMME SCM spent %	June 2010		Identify target business skills	Submit business plan	Source SMMEs		
Seed Potato Project	Project implementation	June 2010		Identify land	Meet Commercial farmers	Identify emerging farmers		
Maguswana/Stepmore Upgrade	Rural Housing Upgrade	June 2010			Engage DLA			
Upgrade Himeville & Underberg	Rural Housing	June 2010			Engage DLA	Agreement on land legal issues		

Vote/Indicator	Unit of Measure	Annual Target	Revised Target	Quarter Ending Sept 2009	Quarter Ending Dec 2009	Quarter Ending Marc 2010	Quarter Ending June 2010	Progress Report
<b>Finance &amp; Administration</b>								
Percentage Capital Budget actually spent on planned Capital projects	Percentage	100%		20%	50%	75%	100%	
Percentage expenditure on MIG projects	Percentage	100%		20%	50%	75%	100%	
Percentage increase in revenue collection	Percentage	10%		2%	5%	8%	10%	
Number of reports submitted to Mayor in relation to Section 71 of MFMA	Number of Reports	12		3	3	3	3	
Timeous review and submission of budget related Policies to Council	Date	By the 4 <sup>th</sup> quarter					Reviewed policies	
Timeous submission of budget plan to Council	Date	By August 2009		Plan submitted – Aug '09	Implementa tion	Implementation	Implementation	
Timeous submission of drafts to the Council	Date	Draft Budgets considered by council by end March '10			Draft budgets to council during March '10	Commencement of Public Participation		

Timeous submission of the adjustment budget to Council	Date	Adjustment Budget approved within MFMA requirements		Feb '10	Inputs to be submitted by middle Jan '10	Adjustment budget report to council by Feb '10		
Timeous submission of annual financial statement to AG	Date	AFS submitted to AG by end AUG '10		AFS completed and submitted to AG				
Submission of Audit Report with recommendations to Council	Date	Submission of Audit Report within 2 months after receipt from AG to Council.				Report to council		
KPA – percentage of Capital budget actually spent on capital projects	Percentage	100%		25%	50%	75%	100%	
<b>Daily Receipts</b> – months during which receipts were issued for all monies daily	Months	12		3	3	3	3	
<b>Daily Banking</b> – Monies during which 100% of all monies were banked daily	Percentage	12		3	3	3	3	
<b>Billing prior to last working day of month</b> – Billing of clients completed prior to last working day per month	Months	12		3	3	3	3	
<b>Billing Rate</b> - % of registered clients billed per month	Percentage	100%		100%	100%	100%	100%	

<b>Owner Property Updated</b> – Owner property register updated	Monthly	Monthly		3	3	3	3	
<b>Correctness of Billing</b> – months without 5+ legit written complaints regarding incorrect accounts	Months	12		3	3	3	3	
<b>Credit Control: Trend</b> - % of no. Of accounts paid	Percentage	90%		90%	90%	90%	90%	
<b>Handing over of debtors</b> - % of Debtors handed over after 30 days	Percentage	90%		90%	90%	90%	90%	
<b>Payment of Creditors with 30 days</b> - % of creditors paid with 30 days	Percentage	100%		100%	100%	100%	100%	
<b>Payment of Salaries</b> – Months that salaries were paid on 25 <sup>th</sup> or last work day prior to 25 <sup>th</sup>	Percentage	100%		100%	100%	100%	100%	
<b>Salary Related Deductions</b> – Transfers of previous month's salary related deduction prior to the 7 <sup>th</sup> of current month	Percentage	100%		100%	100%	100%	100%	
<b>Balancing of Ledger</b> – Months that General Ledger is fully balanced as required by Financial Legislation	Month	12		3	3	3	3	

<b>Bank Reconciliation</b> – Months that bank recons are complete as required by legislation prior to the 10 <sup>th</sup> working day of every month	Month	12		3	3	3	3	
<b>Payment of Creditors</b> – Months during which creditors are paid within 30 days	Month	12		3	3	3	3	
Timeous submission of monthly MIG Reports	Month	12		3	3	3	3	
<b>Development of staff</b> – Implement skills development Plan	Percentage of skills development plan completed.	100%		25%	50%	75%	100%	
Number of staff meetings held	Month	12		3	3	3		
<b>Asset Management</b> – Conduct stock-take	Date	Complete stock-take			Commence stock-take	Complete stock-take	Submit report to Council	

**APPENDIX E****CAPITAL PROJECT BREAKDOWN BY AREA**

<b>AREA</b>	<b>Budget</b>
<b>Infrastructure</b>	
<b>Stepmore</b>	
<b>Housing</b>	2,116,440
<b>Maguzwana</b>	
<b>Housing</b>	13,664,050
<b>Nhlanhleni</b>	
<b>Community Hall</b>	1,400,000
<b>Ridge</b>	
<b>Community Hall</b>	1,400,000
<b>Ntwasahlobo</b>	
<b>Community Hall</b>	1,400,000
<b>Netherby</b>	
<b>Community Hall</b>	1,400,000

## APPENDIX F

CAPITAL WORKS PLAN FOR THREE YEARS			
	BUDGET 2009/2010	BUDGET 2009/2010	BUDGET 2009/2010
<b>EXPENDITURE</b>			
<b>INFRASTRUCTURE</b>			
Land and buildings	235,000	10,000,000	
Roads, pavements, bridges & stormwater		3,000,000	3,000,000
Water reservoirs & reticulation			
Car parks, bus terminals & taxi ranks			
Electricity reticulation			
Sewerage purification & reticulation			
Housing	29,219,300	15,863,261	17,463,261
Street lighting			
Refuse sites	4,300,000	600,000	600,000
Gas			
Other			
	33,754,300	29,463,261	21,063,261
<b>COMMUNITY</b>			
Establishment of parks & gardens			
Sport fields			
Community halls	7,900,000		
Libraries	15,000		
Recreation facilities			
Clinics			
Museums & art galleries			
Other	12,300,000		
	20,215,000	0	0
<b>EXPENDITURE</b>			
<b>OTHER ASSETS</b>			
Other motor vehicles		270,000	320,000
Plant & equipment	46,000	25,000	30,000
Office equipment	314,000		
Abattoirs			
Markets			
Airports			
Security Measures			
Other			
	360,000	295,000	350,000
<b>SPECIALISED VEHICLES</b>			
Refuse	181,000	0	0
Fire	0	0	0
Conservancy	0	0	0
Ambulances	0	0	0
Buses	0	0	0
	181,000	0	0
	54,510,300	29,758,261	21,413,261